

Message Text

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ACTION OES-02

INFO OCT-01 SS-14 ISO-00 PM-03 SP-02 IO-03 EUR-08 INR-05

L-01 CIAE-00 RSC-01 NSC-05 NSCE-00 EA-06 EB-03 SAJ-01

/055 W

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P R 130843Z DEC 74

FM USMISSION IAEA VIENNA

TO SECSTATE WASHDC PIRORITY 5312

INFO AEC GERMANTOWN

AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LONDON

AMEMBASSY LUXEMBOURG

AMEMBASSY MOSCOW

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY TOKYO

USMISSION EC BURSSSELS UNN

USMISSION GENEVA

C O N F I D E N T I A L SECTION 1 OF 2 IAEA VIENNA 10341

LIMDIS

E.O. 11652: GDS

TAGS: PARM TECH IT

SUBJECT: ITALY AND THE NPT

REF: (A) IAEA VIENNA 9205

(B) IAEA VIENNA 9206

(C) BONN 17873

1. ALTHOUGH ITALIANS HAVE NOT YET APPROACHED MISSION
DIRECTLY, WE HAVE LEARNED FROM IAEA SECRETARIAT AND
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OTHER EC MISSION SOURCES THAT GOI HAS NOW DECIDED TO

PUSH FOR APPROACH TO APPLICATION OF NPT SAFEGUARDS IN EURATOM NON-NUCLEAR WEAPON STATES PRIOR TO ITALIAN NPT RATIFICATION, AS DESCRIBED IN REFTELS A AND B (SUSPENSION OF ARTICLE 25(B) OF IAEA-EURATOM SAFEGUARDS AGREEMENT). ITALIAN MISSION HERE HAS INFORMALLY ADVISED AT LEAST FRG, UK AND DUTCH MISSIONS AS WELL AS IAEA SECRETARIAT OF THIS DECISION. WE UNDERSTAND ITALY IS NOW IN PROCESS MAKING DEMARCHES TO OTHER EURATOM STATES. ASSUMING FAVORABLE CONSENSUS IN EURATOM STATES AS WELL AS EC COMMISSION EMERGES, ITALY WILL THEN MAKE FORMAL PRESENTATION TO IAEA ASKING FOR AGENCY APPROVAL AND NECESSARY EXECUTIVE ACTION TO ALLOW ENTRY INTO FORCE OF EURATOM-IAEA SAFEGUARDS AGREEMENT IN VERY NEAR FUTURE.

2. ITALIANS INDICATE THAT LOWER HOUSE APPROVAL OF IAEA-EURATOM SAFEGUARDS AGREEMENT (INFCIRC 193) IS EXPECTED MOMENTARILY. THIS WOULD CREATE LEGAL BASIS FOR MOVING AHEAD ON THE ARTICLE 25(B) APPROACH, WHICH AS REFTELS A AND B POINT OUT, INVOLVES EXECUTIVE APPROVAL ON THE PART OF ALL PARTIES TO THE SAFEGUARDS AGREEMENT (EURATOM STATES, IAEA AND EURATOM) TO SUSPEND ARTICLE 25(B), THUS ALLOWING AGREEMENT TO COME INTO FORCE IN ADVANCE OF ITALIAN NPT RATIFICATION.

3. TO BEST OF OUR KNOWLEDGE ITALIANS INTEND TO MAKE NO CORRESPONDING COMMITMENT TO PROCEED WITH THE RATIFICATION OF THE NPT ITSELF, AT LEAST WITHIN A SPECIFIC TIME FRAME. THE EFFECT OF APPLYING IAEA SAFEGUARDS IN THE EURATOM NON-NUCLEAR WEAPON STATES WITHOUT ITALIAN RATIFICATION OF THE NPT WOULD BE (A) THAT THE US WOULD NO LONGER BE IN TECHNICAL VIOLATION OF NPT ARTICLE III.2(B) SINCE IAEA SAFEGUARDS WOULD BE IN EFFECT IN ALL EURATOM NNWS, AND (B) OTHER EURATOM STATES WHO EITHER HAVE RATIFIED OR SHORTLY WILL RATIFY THE NPT COULD DEPOSIT THEIR INSTRUMENTS OF RATIFICATION AND THUS BE INVITED AS FULL PARTICIPANTS IN THE NPT REVIEW CONFERENCE. THERE IS THUS SOME SURFACE APPEAL TO THE ITALIAN PROPOSAL, DESPITE CONCERN ON PART OF GERMANS AND OTHERS THAT ITALY WOULD THEN BE IN A POSITION TO POSTPONE INDEFINITELY RATIFICATION OF THE TREATY, AND WOULD ALSO BE RELATIVELY CONFIDENTIAL

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IMMUNE TO FUTURE EXTERNAL PRESSURES ON HER TO RATIFY.

4. MISSION IS NOT AWARE OF DEFINITIVE ATTITUDES OF OTHER EURATOM STATES, BUT OUR PRELIMINARY INFORMATION INDICATES THAT DUTCH AND GERMANS (WITH UK TENDING TO ACCEPT GERMAN POSITION) ARE LEANING TO REJECTION OF THE ITALIAN PLOY. GERMANS ARE NOT CONVINCED THAT ARTICLE 25(B) SUSPENSION CAN BE EASILY SECURED THRU SIMPLE AND

IDENTICAL EXECUTIVE DECISIONS IN EURATOM CAPITALS, BURSELS AND THE IAEA. APART FROM DOUBTFUL LEGALITY OF THE EXERCISE, THERE ARE QUESTIONS OF PARLIAMENTARY ACCEPTANCE. IN ADDITION, WE UNDERSTAND GERMANS FEAR A POSSIBLE CHALLENGE IN THE COURTS BY GERMAN INDUSTRY (ON WHAT GROUNDS, MISSION IS NOT CLEAR, BUT THERE IS LITTLE DOUBT THAT GERMAN INDUSTRY WOULD LIKE TO STAVE OFF APPLICATION OF INTERNATIONAL SAFEGUARDS AS LONG AS POSSIBLE). EURATOM STATES ARE ALSO AWARE, AS IS MISSION, THAT IAEA DIRGEN EKLUND WILL CONTINUE TO RESIST ANY SOLUTION WHICH DOES NOT ASSURE ITALIAN RATIFICATION OF THE NPT. GIVEN THE STRENGTH OF EKLUND'S VIEWS, HE MIGHT REFUSE TO TAKE THE REQUIRED EXECUTIVE ACTION TO SUSPEND ARTICLE 25(B) AND REFER THE MATTER TO THE BOARD OF GOVERNORS FOR WHAT COULD BE AN UNCERTAIN OUTCOME.

5. IN VIEW OF THESE FACTORS, FRG NOW SEEMS TO HAVE DEVELOPED, AS WAS POINTED OUT IN GENERAL TERMS TO IKLE DURING HIS BONN VISIT, A DIFFERENT APPROACH TO THE QUESTION OF ITALIAN RATIFICATION AND THE APPLICATION OF IAEA SAFEGUARDS, SOMEWHAT AS FOLLOWS:

(A) DEPOSIT NPT RATIFICATION ALONG WITH HOLLAND, BELGIUM, LUXEMBOURG AS SOON AS POSSIBLE. DATE OF DEPOSIT WOULD INITIATE 18-MONTH PERIOD BY END OF WHICH SAFEGUARDS AGREEMENT WITH IAEA MUST ENTER INTO FORCE (ARTICLE III.4 OF NPT).

(B) EURATOM SAFEGUARDS WOULD CONTINUE TO BE APPLIED DURING INTERIM PERIOD.

(C) INSTEAD OF FULL 18-MONTH GRACE PERIOD, ITALIANS SHOULD BE FACED WITH A SHORTER DEADLINE FOR NPT RATIFICATION--SAY NINE MONTHS. PRESUMABLY NUCLEAR MATERIAL

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C O N F I D E N T I A L SECTION 2 OF 2 IAEA VIENNA 10341

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SUPPLIER STATES SUCH AS US AND USSR WOULD ALSO BE ASKED
TO JOIN EURATOM STATES IN PLACING RATIFICATION DEADLINE
ON ITALIANS, AND IN BACKING UP THE DEMAND WITH
SPECIFIED SANCTIONS RE FUTURE SUPPLY.

6. THIS SOLUTION WOULD ACCOMPLISH GERMANS' IMMEDIATE
OBJECTIVE--A SEAT AT THE NPT REVIEW CONFERENCE, AND AT
THE SAME TIME FORCE ITALIANS TO MEET AN ACTION DEADLINE
ON RATIFICATION. FRG WOULD NOT BE IN VIOLATION OF THE
TREATY (EVEN IF NINE-MONTH PERIOD ELAPSED) UNLESS ITALY
FAILED TO RATIFY WITHIN THE 18-MONTH PERIOD, THEREBY
BLOCKING THE COMING INTO FORCE OF EURATOM-IAEA SAFEGUARDS
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AGREEMENT.

7. SOLUTION WOULD ALSO PROVIDE LEGAL BASIS WITHIN FRAMEWORK
NPT FOR CONTINUED US SUPPLY OF NUCLEAR MATERIAL AND EQUIPMENT
TO ALL EURATOM NON-NUCLEAR WEAPON STATES EXCEPT ITALY, WHERE
RULE OF REASON WOULD CONTINUE TO APPLY FOR A PRE-DETERMINED
TIME SPAN OF NOT MORE THAN 18-MONTHS (HOPEFULLY LESS).
SINCE RULE OF REASON (AFTER FIVE-PLUS YEARS) IS WEARING
THIN, U.S. WOULD HAVE TO TAKE CLEAR OFFICIAL POSITION
WITH ITALIANS SHOWING WHAT CONSEQUENCES OF CONTINUED
NON-RATIFICATION WOULD BE. US POSITION WOULD AT THE LATEST
HAVE TO BE ANNOUNCED PUBLICLY IN THE MAY NPT REVIEW
CONFERENCE, WHERE QUESTIONS WILL CERTAINLY BE ASKED.
THE US WOULD ALSO BE CONFRONTED WITH PROBLEM OF ASSURING
THAT ITALIANS ENDORSE ZANGGER COMMITTEE RECOMMENDATIONS
IN ALL RESPECTS WITH REGARD TO EXPORT AND RE-EXPROT FROM
ITALY OF NUCLEAR MATERIALS AND EQUIPMENT. THIS QUESTION

WOULD OF COURSE ARISE IN EITHER APPROACH TO THE PROBLEM.

8. WE FEEL SOVIETS WOULD PREFER GERMAN APPROACH TO ITALIAN ONE ALTHOUGH THEY MIGHT ACCEPT LATTER IF NO ALTERNATIVE WERE PRESENTED; ALSO BELIEVE THEY WOULD BE RECEPTIVE TO JOINING USG IN JOINT SUPPLIER STATE DEMARCHE TO GOI. WE HAVE BEEN INFORMED BY SOVIET MISSION HERE (ALTHOUGH THIS SHOULD BE VERIFIED) THAT SOVIET DELIVERIES OF ENRICHED URANIUM TO ITALY ARE NOT SCHEDULED UNTIL END OF 1975. GERMAN DEADLINE OF NINE MONTHS WOULD THUS PROVIDE AMPLE TIME FOR ITALIANS TO RATIFY AND FOR IAEA SAFEGUARDS TO BE APPLIED BEFORE SOVIET DELIVERIES COMMENCE.

9. JAPAN HAS OF COURSE BEEN WATCHING THE COURSE OF NPT RATIFICATION BY EURATOM COUNTRIES VERY CLOSELY AND IT IS CLEAR THAT JAPAN WILL NOT PRECEDE EURATOM IN RATIFYING THE TREATY. MISSION FEELS, HOWEVER, THAT GERMAN RATIFICATION LOOMS LARGEST IN JAPANESE EYES AND THAT ITALIAN FOOT-DRAGGING WOULD NOT PLAY A PREDOMINANT ROLE IN JAPANESE DELIBERATIONS ON ADHERING TO THE NPT. THIS WOULD BE PARTICULARLY TRUE IF THE US MADE CLEAR TO ITALY THAT CONTINUED ACCESS TO US SUPPLIES OF ENRICHED URANIUM WAS DEPENDENT ON NPT RATIFICATION--IN ITSELF A CONFIDENTIAL

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STRONG AND OBVIOUS ARGUMENT IN FAVOR OF JAPAN MOVING AHEAD. IF GERMANS, DUTCH AND BELGIANS WERE TO ADHERE TO NPT IN NEXT FEW MONTHS, THIS MIGHT PROVIDE A REAL IMPETUS TO JAPANESE, WHO ALSO WISH A SEAT AT MAY REVIEW CONFERENCE.

10. COMMENT: IT IS CLEAR ITALIANS DO NOT INTEND TO APPROACH USG FOR SUPPORT OF THEIR PROPOSAL UNTIL THEY HAVE ESTABLISHED A CONSENSUS AMONG OTHER EURATOM PARTNERS. SINCE IT SEEMS DOUBTFUL THAT A FAVORABLE CONSENSUS WILL EMERGE, OR THAT DIRGEN EKLUND WOULD LEND HIS SUPPORT TO ITALIAN SOLUTION, WE TEND TO VIEW THE GERMAN APPROACH AS THE ONLY ONE WHICH CAN ACHIEVE ITALIAN RATIFICATION. ITALIANS WILL OF COURSE RESIST, CITING INTER ALIA THAT THEY CANNOT COMMIT THEIR PARLIAMENT TO A FUTURE ACT OF RATIFICATION. DUCCI WILL DO ALL HE CAN TO WRIGGLE OUT OF IT, UNLESS GOI UNDERSTANDS CLEARLY FROM US AND OTHER SUPPLIERS WHAT CONSEQUENCED WILL BE. IT WOULD BE BETTER THAT THEY UNDERSTAND BEFORE MATTER ESCALATES TO A CONFRONTATION.

11. RECOMMEND THE DEPARTMENT, WHEN APPROACHED BY ANY OF THE PARTIES CONCERNED, BE PREPARED TO ENDORSE THE GERMAN PROPOSAL (IF IT IS AS WE BELIEVE IT TO BE),

AND TO JOIN WITH OTHERS IN GETTING THE ITALIANS TO
ACCEPT. PERHAPS, IN CONSULTATIONS WHICH USG MAY HAVE
SCHEDULED IN NEAR FUTURE, WE CAN MORE FULLY EXPLORE FRG
VIEWS, AND MOVE WITH THEM AND OTHERS TO TAKE THE
INITIATIVE, BEFORE ITALIANS HAVE STAKED OUT A POSITION
FROM WHICH RETREAT WOULD BE DIFFICULT. PORTER

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